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091021Z Jul 01

2001HANOI01629 - UNCLASSIFIED

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ACTION EAP-00

INFO	LOG-00	NP-00	AID-00	CA-01	CEA-01	CIAE-00	CTME-00
	DINT-00	DOEE-00	ITCE-00	SRPP-00	EB-00	EXME-00	E-00
	UTED-00	FBO-00	VC-00	FRB-00	H-01	TEDE-00	INR-00
	IO-00	ITC-01	LAB-01	L-00	VCE-00	AC-01	NSAE-00
	NSCE-00	OES-01	OMB-01	OPIC-01	CAEX-01	PM-00	PRS-00
	ACE-00	SP-00	IRM-00	STR-00	TEST-00	USIE-00	VO-03
	EPAE-00	PMB-00	DRL-02	G-00	NFAT-00	SAS-00	/015W

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FM AMEMBASSY HANOI
TO SECSTATE WASHDC PRIORITY 3307
INFO AMCONSUL HO CHI MINH CITY PRIORITY
DEPTLABOR WASHDC
DEPTTREAS WASHDC
ASEAN COLLECTIVE
USCINCPAC HONOLULU HI//FPA//
SECDEF WASHDC//ISA-EAP
USDOC WASHDC
USDA WASHDC

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SIPDIS

STATE FOR USAID/OFDA
STATE FOR DRL/IL
USDOL FOR ILAB/RSHEPARD AND NSAYRES
STATE ALSO FOR EAP/BCLTV, EAP/EX, E/CBA AND EAP/PD
STATE ALSO FOR CA/EX AND CA/VO
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SECDEF FOR OSD/ISA/EA/LSTERN
USDOC FOR 4431/MAC/AP/OKSA/HPPHO

E.O. 12958: N/A
TAGS: [EAID](#) [ENRG](#) [ETMIN](#)
SUBJECT: HANOI UPDATE #13

[1](#)1. (U) FLOODING IN NORTHERN VIETNAM: RAINY SEASON IS UPON US. TYPHOON NO. 2 (DURIAN) WAS DOWNGRADED TO A TROPICAL DEPRESSION JUST BEFORE IT HIT THE MOUNTAINOUS REGIONS OF NORTHERN VIETNAM JULY 2-4 CAUSING FLOODING AND MUDSLIDES, KILLING AT LEAST 30 PEOPLE AND DAMAGING NEARLY OVER 30,000 HOMES. HARDEST HIT, BY WHAT IS BEING CALLED THE WORST FLOODING TO HIT NORTHERN VIETNAM IN YEARS, ARE THE REGIONS BORDERING THE THAI NGUYEN, CAU AND LO RIVERS, AND AT LEAST SIX PROVINCES HAVE BEEN SERIOUSLY AFFECTED. LOCAL DISASTER RELIEF EFFORTS ARE REACHING OUT TO THE VICTIMS. THE GVN HAS NOT ISSUED A CALL FOR INTERNATIONAL DISASTER RELIEF. BUT, TYPHOON NO. 3 (UTOR), WHICH WREAKED HAVOC IN THE PHILIPPINES AND TAIWAN, HIT CHINA LAST FRIDAY, AND ALTHOUGH IT TOO WAS DOWNGRADED TO A TROPICAL DEPRESSION, IT APPEARS TO BE HEADED TO HIT NORTHERN VIETNAM SHORTLY. THE GOVERNMENT HAS WARNED PEOPLE TO BE PREPARED. THE QUESTION REMAINS JUST HOW MUCH MORE RAIN THE WATER-LOGGED HILLSIDES AND SWOLLEN RIVERS CAN MANAGE WITHOUT CAUSING A MORE WIDESPREAD DISASTER. HYDRO-METEOROLOGY OFFICE PERSONNEL TELL US, HOWEVER, THERE IS NO IMMEDIATE THREAT IN THE RED RIVER (HANOI AREA) DESPITE THE GENERALLY RISING WATERS IN NORTHERN RIVERS. POST WILL CONTINUE TO FOLLOW THE SITUATION CLOSELY.

[1](#)2. (U) SON LA HYDROELECTRIC FACILITY APPROVED: AFTER YEARS
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OF DEBATE, VIETNAM IS COMING CLOSER TO CONSTRUCTING A HUGE NEW HYDROELECTRIC FACILITY IN SON LA PROVINCE. IN THE CLOSING DAYS ITS MOST RECENT SESSION, VIETNAM'S NATIONAL ASSEMBLY OFFICIALLY "APPROVED IN PRINCIPLE" CONSTRUCTION OF THE MULTI-BILLION DOLLAR SON LA HYDROELECTRIC POWER PROJECT, WHILE STILL RESERVING ON HOW BIG THE DAM PROJECT WILL ACTUALLY BE. TWO WEEKS BEFORE, THE POLITBURO HAD APPROVED THE PROJECT. AND DESPITE VOCAL OBJECTIONS FROM A NUMBER OF ASSEMBLY DELEGATES, VIETNAM'S POLITICAL LEADERSHIP PRESSED FORWARD WITH THE VOTE. THE DAM AND POWER FACILITY ARE TO BE LOCATED ON THE DA RIVER UPSTREAM FROM THE HOA BINH HYDROELECTRIC DAM. THREE OPTIONS HAVE BEEN PROPOSED, THE LARGEST OF WHICH WOULD INUNDATE 440 SQ. KILOMETERS, DISPLACE UP TO 100,000 OF THE MOSTLY INDIGENOUS LOCAL POPULATION, AND COST UP TO US\$ 4 BILLION. THE GOVERNMENT WILL NOW PRODUCE ADDITIONAL INFORMATION ON EACH OF THE OPTIONS, AND THE NATIONAL ASSEMBLY WILL HOLD A FINAL VOTE DURING ITS FALL

SESSION. AT PRESENT, PLANS ARE TO COMPLETE THE PROJECT BY
12016.

13. (U) SON LA DAM CON'T: SUPPORTERS ARGUE THAT VIETNAM URGENTLY NEEDS EXPANDED ELECTRICITY GENERATING CAPACITY AND SHOULD NOT RELY ONLY ON GAS-FIRED POWER FACILITIES WHICH HAVE BEEN OR WILL BE CONSTRUCTED IN THE VUNG TAU-BA RIA AND WILL USE GAS FROM THE HUGE NAM CON SON GAS FIELD. IN ADDITION, THEY ARGUE THAT THIS DAM WILL BE USED FOR IRRIGATION IN THE SURROUNDING PROVINCES AND TO CONTROL FLOODING DOWNSTREAM ON THE RED RIVER AND THAI BINH DELTAS DURING THE RAINY SEASON.

14. (U) SON LA DAM CON'T: BUT THE DELEGATES IN OPPOSITION
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VOICED MANY OF THE SAME OBJECTIONS THAT HAVE BEEN VOICED FOR YEARS. FIRST, IT IS ARGUED THERE WILL BE VAST ENVIRONMENTAL DAMAGE IN THE CATCHMENT AREAS SURROUNDING THE DAM DUE TO FLOODING AND TREE LOSS AS WELL AS DOWNSTREAM. SAFETY CONCERNS ARE PERHAPS EVEN MORE PRESSING. THE DAM WOULD BE LOCATED IN AN EARTHQUAKE PRONE REGION AND IT IS FEARED THAT A BREACH IN THE DAM WOULD CAUSE THE HOA BINH DAM TO COLLAPSE, INUNDATING HANOI IN UP TO FIVE STORIES OF WATER IN A MATTER OF HOURS. THESE ARGUMENTS GAINED GREATER CREDENCE EARLIER THIS YEAR AFTER NEAR-BY LAI CHAU PROVINCE WAS HIT WITH AN EARTHQUAKE MEASURING 5.3 ON THE RICHTER SCALE AND CAUSING SEVERAL MILLION DOLLARS WORTH OF STRUCTURAL DAMAGE.

15. (U) SON LA DAM CON'T: OTHERS ARGUE THAT THERE HAS NOT BEEN SUFFICIENT THOUGHT GIVEN TO THE LOGISTICS AND FINANCES REQUIRED TO RELOCATE ALL THOSE THAT WILL BE DISPLACED. SPECIFICALLY, MANY WORRY THAT THE CURRENT PLAN TO SEND THE DISPLACED POPULATION TO THE CENTRAL HIGHLANDS WILL FURTHER DESTABILIZE THIS REGION WHICH WAS ROCKED BY PROTESTS ON THE PART OF SOME OF THE REGION'S INDIGENOUS POPULATION IN FEBRUARY.

16. (U) SON LA DAM CON'T: FINALLY, THERE ARE SERIOUS QUESTIONS ABOUT HOW VIETNAM WILL FINANCE THE PROJECT. IN THE PAST, THE VIETNAMESE GOVERNMENT HAS INDICATED IT WILL FINANCE THE PROJECT OUT OF THE STATE BUDGET. HOWEVER, MORE RECENTLY VIETNAM NEWS QUOTED ONE OFFICIAL AS SAYING THAT 30 PERCENT OF THE FUNDING WOULD COME FROM FOREIGN LOANS. HOWEVER, WORLD BANK AND OTHER DONORS WILL BE UNLIKELY TO PROVIDE FUNDING GIVEN CONCERNS ABOUT SAFETY, THE ENVIRONMENT AND DISPLACED PERSONS. AND FOREIGN INVESTMENT IS UNLIKELY TO BE AN OPTION, EVEN IF THE GVN IS WILLING TO CONSIDER PERMITTING IT, GIVEN THE PROBLEMS VIETNAM HAS HAD IN THE PAST COMING TO AGREEMENT WITH PRIVATE INVESTORS ON OTHER ELECTRICITY GENERATION PROJECTS.

17. (U) SON LA DAM - COMMENT: FOR NOW AT LEAST, THE VIETNAMESE LEADERSHIP SEEMS DETERMINED TO IGNORE THE QUESTIONS AND MOVE FORWARD. BUT EVENTUALLY, THESE CONCERNS WILL HAVE TO BE ADDRESSED. ONE HOPES THAT THIS OCCURS SOONER RATHER THAN LATER WHEN CONSTRUCTION IS STARTED, PEOPLE ARE MOVING AND FUNDS BEING SPENT. COMMENT

PETERSON

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